



Fact Sheet

SOCIAL SECURITY

Social Security Is Important to Hispanics

Social Security is neutral with respect to race or ethnicity— individuals with identical earnings histories are treated the same in terms of benefits. However, due to certain demographic trends, Hispanics benefit from the Social Security program in several ways.

- The Social Security system is progressive in that lower-wage earners receive a higher percentage benefit than higher-wage earners do. The system returns a greater percentage of pre-retirement earnings to a lower-wage worker than to a higher-wage worker. Hispanics who are low-wage workers receive back more benefits in relation to past earnings than do high-wage earners.
 - In 2004, the median earnings of working-age Hispanics who worked full-time, year-round were about \$25,000 compared to \$35,000 for all working-age people.
- Hispanics benefit from the guaranteed benefit that is annually adjusted for inflation. With longer life expectancies, elderly Hispanics will live more years in retirement and benefit from Social Security's cost-of-living protections.
 - Hispanics tend to have higher life expectancies at age 65 than the majority of the population.
 - Hispanic men who are age 65 in 2005 can expect to live to age 85, compared to age 81 for all men.
 - Hispanic women who are age 65 in 2005 can expect to live to age 88, compared to age 85 for all women.
- In 2004, the average annual Social Security income received by Hispanic men 65 years and older was \$10,493 and for women it was \$8,376.
- In 2004, among Hispanics receiving Social Security, 39 percent of elderly married couples and 58 percent of elderly unmarried persons relied on Social Security for 90 percent or more of their income.
- The Hispanic population in the U.S. is expected to grow. Today, 14 percent of the population is of Hispanic origin. This proportion is expected to grow to 24 percent by 2050.

This fact sheet is designed to provide general information and may not apply to all individuals within each segment of the Hispanic population.